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**Johnson, Ralph W., and Gardner M. Brown, Jr. Cleaning up Europe's
Waters. Economics, Management, and Policies. New York: Praeger
Publishers, 1976, xvi + 313 pp., 26.50**

Frey, Bruno S

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The book can be recommended as a comprehensive reference on U.S. food and agricultural policies and also as a text for those who prefer an historical or institutional approach in teaching policy courses. Even for those who do not, it can serve as a useful supplement to existing texts in such areas as land, conservation, human nutrition, and food policies. The discussion of land use and conservation policies is particularly good.

K. L. Robinson
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Johnson, Ralph W., and Gardner M. Brown, Jr.
Cleaning Up Europe's Waters. Economics, Management, and Policies. New York: Praeger Publishers, 1976, xvi + 313 pp., \$26.50.

In the last few years there has been a large body of theoretical literature in environmental economics. Recently, the environmental policy pursued in the United States has received increasing attention. There has, however, been an almost complete lack of information about the European experience in environmental policy (except for the Ruhr associations), and therefore of a comparison with environmental policy in the United States.

Johnson and Brown's book is mainly devoted to the first task, namely, to present an analysis of environmental policy in European countries. Where possible, quantitative (but not econometric) information is supplied.

The authors, an economist and a lawyer, have written an excellent book. It combines economic aspects, institutional details, and a look at the political processes behind the policies pursued by the individual countries. The presentation is lively, and reading is made easy because the main lines always remain clearly visible: (a) the discussion of the appropriate jurisdiction for water resource management with respect to area and subject matter; (b) the analysis of the functioning of, and the reasons for adopting and rejecting, effluent charges; and (c) the study of the role of subsidies. The (not too strong) trends towards comprehensive management and towards adopting effluent charges is well documented. As case studies, five highly industrialized market economies are selected: France, the Netherlands, West Germany, Sweden, England/Wales, and, as a contrast, one less developed socialist (planned) economy, Hungary. It is noteworthy that the typically market oriented system of effluent charges is used, among others, in Hungary; while standards only are used in Sweden. Subsidies are used in all countries, but least strongly in Hungary, most strongly in France. It is suggested that the main function of subsidies is to overcome the opposition of owners of private property rights to environmental policy, and that, therefore, the less subsidies are needed the larger the public sector (i.e., the weaker private property

rights). It would be worthwhile to test this interesting proposition more thoroughly.

Johnson and Brown clearly state that they have a value-laden preference for the polluters' pay principle and for the effluent charge (a view shared by most economists), as well as for comprehensive management. The latter preference is less convincing. The book does indeed stress too little the disadvantages going with centralization. A recurrent theme in the book is that in Germany there is little information about environmental policy, plans, and intended future action. The authors do not realize sufficiently that this is a necessary consequence of a federal system in which information is not centralized because it need not be centralized. This makes research difficult. The outcome is not necessarily worse; possibly it is better, as suggested by the economic theory of federalism. The authors are in this respect somewhat inconsistent: they complain about the insufficiently comprehensive planning, especially in Germany; give, at the same time, a very positive account of the Ruhr associations; and state that it is unlikely that on the national level a similarly good solution would be possible. They even mention that the good functioning of the Ruhr associations might be hampered by effective national legislation. Positive examples such as the Ruhr associations (or TVA in the U.S.) unfortunately seem to have little effect on practical policy. An effort is made to explain this, as well as why some countries adopt and others reject systems of effluent charges, but the authors state frankly that they have had little success. It may be that the "public choice" approach would yield more conclusive results.

There is little to criticize specifically in this book. A somewhat stronger reliance on scientific publications, instead of interviews and official documents, would have increased the depth of analysis. There are some spelling mistakes in French and Swedish words, which should have been avoided.

On the whole the book fulfills its goals admirably. It is useful for various purposes: it provides information to researchers, it can be employed for teaching, and it may give clues for improvements of practical environmental policy.

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Maxwell, James A., and J. Richard Aronson.
Financing State and Local Governments. 3rd ed., Washington, D.C.: Brookings Institution, 1977, xvi + 290 pp., \$10.95, \$4.95 paper.

In an attempt to provide students and interested citizens with a nontechnical analysis of state and local finances in the United States, the late James Maxwell collaborated with J. Richard Aronson in producing a third edition of his *Financing State and Local Governments*. Significant shifts, both in the